

From: "Best, Erik (RTX)" <Erik.Best@riotinto.com>
To: <BethEricksen@utah.gov>
CC: "Wilkins, Joey (RTX)" <Joey.Wilkins@riotinto.com>
Date: 06/23/2008 1:46 PM
Subject: FW: Kennecott Exploration: Herriman Irrigation Company/DOGM
Attachments: 23 June 08 letter to DOGM.pdf; 20 June 08 letter to HIC Amended Notice to Explore.pdf

M10351002

PIC

This correspondence
pertains to
Section 11.
which
is
within
this permit.

From: Best, Erik (RTX)
Sent: Monday, June 23, 2008 1:44 PM
To: betherickson@utah.gov
Cc: Wilkins, Joey (RTX)
Subject: Kennecott Exploration: Herriman Irrigation Company/DOGM

Beth,

I am submitting this email on behalf of Joey Wilkins. (See message from Joey, below). Additionally, I will deliver a hard copy of the DOGM letter to your offices this afternoon. Please let me know if you have any questions

Thanks

ERIK

Erik Best

Landman

Kennecott Exploration

224 N. 2200 W.

Salt Lake City, UT 84116

Phone: (801) 363-5870

Cell: (801) 556-3453

0024

Fax: (801) 532-1729

Erik.Best@Kennecott.com <mailto:Erik.Best@Kennecott.com>

NOTICE: This e-mail and any attachments are confidential and may also be privileged. If you are not the intended recipient, please notify us immediately and delete this message and any attachments from your system without first printing or copying them.

Beth,

Pursuant to our conversation last Friday, please see the attached letter describing the intensions of KEX on Herriman Irrigation (HIC) lands where the mineral rights are severed from the surface. If you have any questions, please let me know. Also attached is the amended letter we are sending HIC.

Regards,

Joey Wilkins

Principal Geologist

Kennecott Exploration Co.

224 N. 2200 W.

Salt Lake City, UT 84116

Tel: 801-363-5868

Cel: 520-440-4000



KENNECOTT EXPLORATION COMPANY

224 North 2200 West
Salt Lake City, Utah 84116

Telephone: (801) 238-2400
Facsimile: (801) 238-2430
www.kennecottexploration.com

June 23, 2008

Utah Division of Oil, Gas and Mining
Attn: Beth Erickson
P.O. Box 145801
Salt Lake City, Utah 84114-5801

RE: Herriman Irrigation Company; Amended Notice of Exploration Activities

Dear Ms. Erickson:

Please find attached, the *Amended Notice of Exploration Activities* to Herriman Irrigation Company. While we attempt to negotiate good faith access agreements with various landowners where we have mineral rights, we were unable to do so with Herriman Irrigation Company.

The notice to Herriman Irrigation Company covers portions of Sections 10, 11, 14 and 15 in Township 4 South, Range 3 West, Salt Lake Meridian. While we have not yet commenced any exploration activities where Herriman Irrigation Company owns the surface, we would initially conduct "casual use" type exploration of the mineral estate with non-mechanized equipment being utilized and minimal impact, consisting of geophysical and geochemical surveys for all of Sections 10, 11, 14 and 15. The type of equipment that may be used during a geophysical survey may include: small electrical transmitters and hand held receivers, 30 to 3 kilowatt generators, spools of 10 to 14 gauge wire, shovels, picks, hammers, aluminum foil, metal stakes, salt, water, and light utility trucks for access on existing roads. Geochemical surveys may include the use of shovels, picks, hammers, hand-held sieves, and light utility trucks for access on existing roads.

In the event that we would seek to exceed the casual use type survey, on the lands covered by the Amended Notice, we would obtain the approval of DOGM of any necessary permits for exploration activities that would involve the use of mechanized equipment in Sections 10, 14 and 15. The Amended Notice references this. Section 11 is currently covered by permit number M-35-002 and a Notice of exploration acceptance (that would include mechanized equipment) would be submitted prior commencement of those activities.

If after reviewing this, you have any questions, please don't hesitate to contact either myself at (801) 363-5870, or Joey Wilkins at 520-440-4000.

Sincerely,

KENNECOTT EXPLORATION COMPANY

Erik Best
Landman



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June 20, 2008

Herriman Irrigation Co.
Attn: Almon Butterfield
6146 W. 13100 S
Herriman, UT 84096

AMENDED NOTICE OF EXPLORATION ACTIVITIES

Dear Mr. Butterfield:

Kennecott Utah Copper Corporation is the mineral owner underlying the surface estate owned by Herriman Irrigation Company ("Surface Owner"), located in portions of Sections 10, 11, 14 and 15 in Township 4 South, Range 3 West, Salt Lake Meridian. Attached to the original notice, are copies of the Warranty Deeds that split the estate, conveying ownership to Combined Metals Reduction Company from Thomas S. Butterfield and Martha Butterfield. Kennecott Utah Copper Corporation is a successor to Combined Metals Reduction Company.

Please notice this letter as Kennecott's intent to explore the mineral estate. Kennecott Exploration Company ("KEX") anticipates commencing exploration activities in late June of 2008, to the extent and for as long as we determine reasonable and necessary. Exploration shall be for the purpose of (1) conducting mineral exploration; (2) performing non-destructive and non-mechanized geochemical and geophysical tests of the subsurface of the land to detect the presence of underlying minerals; and (3) brush cutting and laying of any temporary wire used for exploration, which shall all be utilizing non-mechanized means. In the event that exploration is further merited, KEX shall comply with all requirements of the Utah Division of Oil, Gas and Mining ("DOG M") by obtaining a permit which would grant KEX the right to (4) create or improve any existing road for access for drilling, (5) construction of exploration drill-sites together with collection of drilling samples from those sites, and (6) performing reclamation of all constructed drill sites and created access roads (once the drilling has ceased) to as near the original state followed by re-seeding with DOGM and/or BLM pre-determined natural seedlings.


KEX, its employees and agents will not unreasonably interfere with Surface Owner's use of the Land, except to the extent required by KEX in conducting the activities described in the preceding paragraph. Due to the potential hazards associated with exploration, we will require that Herriman Irrigation Company, its employees, agents or shareholders not approach or otherwise interfere with our exploration activities, unless we have granted permission. KEX maintains public liability insurance.

KEX has previously replaced locks to gates across roads on Kennecott Utah Copper Corporation lands in Butterfield Canyon. The roads lead to various lands where Kennecott has mineral rights, including that estate underlying Herriman Irrigation Company. We respect your surface

rights and have stated that we will provide you with a key to any replaced locks. I understand that some locks have since been further replaced by Herriman Irrigation Company. If in fact the locks have been changed, we request a copy of this key, and expect your full cooperation in our exploration efforts. Please send the key to my attention.

Sincerely,

KENNECOTT EXPLORATION COMPANY

A handwritten signature in dark ink, appearing to read "Erik Best", with a stylized flourish at the end.

Erik Best
Landman

cc: D. Andrews
R. Franklin
J. Wilkins
D. Olson